

Is China Imperialist?

Economy, State, and Insertion in the Global System

Zhongjin Li, University of Missouri at Kansas City,

and

David M. Kotz, University of Massachusetts Amherst

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China's giant economy is now closely integrated into the global capitalist economy. China has a very high levels of exports and imports, a central role in global production chains, large investment flows into and out of China, large infrastructure projects by Chinese enterprises outside of China, large loans made by Chinese institutions to institutions abroad, and a large flow of raw materials into China. Some Western analysts have claimed that China has become an imperialist power.

This paper investigates the question of whether China today is, or is becoming, imperialist. First, we consider what is meant by “imperialism.” Second, we analyze the economic aspect of China’s mode of production. Third, we consider whether the combination of economic base and state in China today generates a drive to establish imperialist relations. Fourth, we provide an empirical investigation of whether China’s political/economic relations in other countries fit the concept of imperialism. Section five offers concluding comments.

1. What is Imperialism?

In our view, a Marxist understanding of the concept of imperialism centers around the geographic dimension of human society, a dimension that is not relevant to many of the core concepts of Marxist theory. There is no inherent geographic, or spatial, dimension to such concepts as class, class conflict, exploitation, appropriation, value, surplus value, crisis, circuit of capital, mode of production, or transition. Some of the foregoing concepts require a time dimension, but none requires a spatial dimension.

Human societies exist in space as well as across time. Specific human societies are found in particular locations around the world. In the era of class society, relations develop between societies at different locations. In our view, the concept of imperialism is the Marxist entry into the analysis of relations among societies that exist contemporaneously in different locations.¹

¹ Analogously, the concept of transition applies to developments that arise over time in a society existing at a specific location.

The Marxist theory of imperialism builds on the non-spatial concepts of Marxist theory but applies them to a different realm.

V. I. Lenin's short work *Imperialism: The Highest Stage of Capitalism* (Lenin, 1939) is a good starting point for an analysis of imperialism. Lenin's aim in writing what he referred to as "this pamphlet" was "to help the reader understand the fundamental economic question, that of the economic essence of imperialism... (p. 8)." However, he noted that "I shall not be able to deal with the non-economic aspects of the question, however much they deserve to be dealt with (p. 15)."

In the book Lenin used the term "imperialism" with more than one meaning. The book focuses on the specific features of capitalism that were relevant for understanding the imperialism of the early twentieth century.² He offers "the briefest possible definition of imperialism" as "the monopoly stage of capitalism." He elaborates on that meaning of imperialism by listing 5 basic features: 1) monopolies arise and play a decisive role; 2) bank capital merges with industrial capital to form finance capital; 3) export of capital becomes important relative to export of commodities; 4) giant capitalist companies share world markets among themselves; and 5) the territorial division of the world among the biggest capitalist powers is completed (pp. 88-89).

However, in the book Lenin also used the term "imperialism" with a more general meaning. In several places he refers to "the period of capitalist imperialism (pp. 85, 86)" which implies that there can be a non-capitalist imperialism. He notes that "...imperialism existed before this latest stage of capitalism, and even before capitalism (81-82)." The implicit second meaning of imperialism found in the book is not a particular stage of capitalism but is a more general meaning that can apply to various social forms and not only to the monopoly stage of

² In the Preface to the French and German editions, Lenin wrote "the main purpose of the book was ... to present ... a *general picture* of the world capitalist system in its international relationships at the beginning of the twentieth century... (Lenin, 1939, p. 9).

capitalism.³ There is no generally “best” level of abstraction for such a concept – the appropriate concept of imperialism depends on the aim of a particular study.

In this paper we are considering whether China is, or is becoming, an imperialist power. We argue in the following sections of this paper that China today has a mixed mode of production, with a predominantly capitalist economic structure but a state that is not a capitalist state. To address the question of whether China is, or is becoming, imperialist, we cannot apply a concept of imperialism that was developed to apply to the specific features of early 20th century capitalism. We need a concept of imperialism that can apply to a mixed mode of production in the current era.

Despite Lenin’s focus on early 20th century capitalism, his book provides a useful basis for developing such a broader concept of imperialism. Lenin discusses the main features of a relation of imperialism in the broader sense. First, imperialism involves a relation among states. He refers to states as the active force in a relation of imperialism, referring to “rich and powerful states which plunder the whole world (p. 13).” Second, he stresses that a relation of imperialism involves “domination” in various forms, which in that period included “annexation,” financial strangulation,” and “colonial oppression.” Third, he views the gains accruing to the imperialist power to include “plunder,” “super-profit,” and coupon-clipping (financial returns on investments) that at times involved rates of return of 30%, 40%, or more per year. Fourth, he indicates that the means of obtaining such gains include the elimination of competition and construction of monopoly power, the establishment of financial domination, and the securing of control over raw materials.

³ In Marxist analysis a key term or concept often has different meanings at different levels of abstraction. For example, the central concept of “exploitation” has a meaning applicable to capitalism (the appropriation of surplus value from the class of free wage laborers) and a more general meaning applicable to any class-based mode of production including a mode that is not based on commodity production (appropriation of surplus labor).

Building on the foregoing four features, we define imperialism as the economic and political domination of one country by the ruling class of another aimed at extracting economic benefits for that ruling class.⁴ We include political domination because the state is the instrument of coercion in the modern era. Business firms cannot establish a position of domination in other countries on their own – it is the imperialist power’s state that exercises power in another country to achieve that.⁵ We regard the active entity in the relation of domination to be the ruling class of the dominant state, not the state in itself. We view the state as an institution whose actions are determined by the power of the various classes and group in a country.⁶ In a capitalist system the capitalist ruling class has overwhelming power to determine state policy toward other countries, while subordinate classes have limited power to affect state policy on international relations. To treat a “country,” or the state itself, as the agent of domination overlooks the class character of contemporary societies.⁷

We have omitted other aspects of society that may be involved in imperialism, such as the cultural aspect of society. In our view, the direction of cultural domination does not necessarily match the direction of economic and political domination. In some cases, the culture of the dominated country penetrates the imperialist power to a significant extent. In our view, the core of the imperialist relation is economic and political domination.

What kind of extraction of economic benefits arises in a relation of imperialism? For the capitalists in an imperialist power, the potential benefits from a relation of imperialism involve the four ways that capitalists do business outside the home country: export of commodities,

⁴ While the aim of imperialism is material benefits for the ruling class, some of those material benefits could in up in the hands of other classes and groups.

⁵ Capitalist exploitation requires a state to enforce it. In some cases a capitalist from one country can operate in another with its interests protected by the state in the other country as a result of the class power relations in the other country. In that case, the relation is simply one of capitalist exploitation, not imperialism. It is imperialism only if the capitalist’s base country state exercises domination in some form across national boundaries.

⁶ Some parts of a state may at times reflect to some extent the interests of subordinate classes as a result of class struggles.

⁷ This is a difference between Marxist analysis, in our view, and the approach of liberal political analysts who treat the state in society as having inherent interests, such as an interest in geographic expansion of its rule.

import of commodities, export of capital, and access to raw materials. Those four types of international economic interchange do not necessarily rest on a relation of inter-state domination. However, through a relation of domination capitalists in the dominant power can extract special benefits, such as the following:

1) Control of export markets, through such means as excluding rivals from other powerful states and extracting advantageous terms for doing business compared to those of local producers.

2) Imposing low prices for imports of intermediate goods.

3) Maintaining favorable conditions for obtaining an extra-high rate of profit on direct investments in the country and ensuring the security of such investments. This can include demanding a union-free work force, lax environmental and job safety conditions, special tax treatment, and a guarantee against nationalization.

4) Guaranteeing favorable conditions for financial institutions in the imperial power to impose high interest rates in the country.

5) Obtaining control over the development and export of raw materials located in the country and seizing the major part of the revenues from raw material development.

Note that capitalists normally will strive to realize all of the above benefits in their activities within their home country. However, when engaging in interactions with other countries they encounter the problem that other states will not necessarily protect their interests. Capitalist firms are not able to dominate other states on their own, and they are compelled to press their home state to enforce their interests in other countries. That is the core dynamic of capitalist imperialism.

Capitalist firms can gain some special benefits from international operations even without the exercise of domination through the state, but instead based on the economic power that capitalist institutions place in the hands of firms. A firm in a developed capitalist country that

relocates to a less-developed country can find low-wage labor. However, capitalists in an imperial power can gain far more benefits if their home country state will actively defend their interests abroad. According to Marxist theory, it is the powerful drive to obtain the highest possible profit in a capitalist system that underlies imperialist domination.

2. The Economic Aspect of China's Mode of Production

A mode of production has an economic aspect and also a political and ideological aspect. It includes an economic base, a state, and dominant ideas. We begin with the economic base. In 1953 the CCP began constructing a new system centered around state owned enterprises and a planned economy. In 1978 the CCP shifted course and began restructuring its economic base, under the reform and opening up. The economy shifted toward a market economy although with a significant party and state role in regulating and directing the economy. After the early 1990s a growing sector of privately owned enterprises emerged, although a significant sector of state owned enterprises remained.

In volume I of *Capital* (Marx, 1957) Marx provides an account of the economic base of a capitalist mode of production as having the following key features:

- 1) It is a system of commodity production, that is, production is for exchange. In other words, it is a market economy.
- 2) Production is done by doubly free wage laborers who sell their labor-power to a class of capitalists who own and control the means of production.
- 3) The aim of production is profit for the capitalists appropriated from workers in the form of surplus value.⁸

⁸ Surplus value can be reallocated among capitalists due to various forces, although total profit derives from surplus value.

There is some debate about how to define a socialist economic base in Marxist theory. In *Socialism: Utopian and Scientific* Engels (1959) presented a post-capitalist socialist economic base as having the following key features:

- 1) Commodity production is replaced by a planned economy.
- 2) Private property in the means of production is abolished, replaced by public ownership. The producers work in publicly owned enterprises rather than for a capitalist.
- 3) The aim of production is to satisfy social and individual human wants and needs.⁹

How should we characterize China's economic base today? Note that actual socioeconomic systems always have some combination of economic forms. Capitalist systems have some elements of economic planning and some publicly owned enterprises. Socialist systems have some private enterprises and some market elements. For example, in France in the 1950s state owned enterprises made up about one-third of the industrial economy. The Soviet Union in the 1980s had some foreign owned private enterprises. Poland had largely private agriculture in the 1980s. To analyze the mode of production in a particular time and place, we must take account of the diversity of economic forms.

Data relevant for assessing the character of ownership of enterprises in China are available from several sources. The IMF publishes data on the shares of public and private enterprises for a large number of countries, including China. However, data from China's state statistical agency (CSSA) are more useful for our purposes, for several reasons: 1) the IMF data uses definitions that must be consistent across countries and which distinguish only "private" and "public", whereas the CSSA's data employ definitions that take account of the multiple forms of

⁹ From Engels (1959): "With the seizing of the means of production by society, production of commodities is done away with ... Anarchy in social production is replaced by systematic, definite organization" (pp. 108-109); and "The proletariat seizes the public power, and ... transforms the socialized means of production into public property" (p. 111). Also, this transformation creates "The possibility of securing for every member of society ... an existence not only full sufficient materially, but ... an existence guaranteeing to all the free development and exercise of their physical and mental faculties (p. 108)." See also Marx (1957, ch. 32).

enterprise ownership in China; 2) the IMF data are for shares of assets only, while the CSSA data provides several measures including employment. We relied on the CSSA data for this paper.

The most useful series from the CSSA is for industrial enterprises above designated size¹⁰, which includes enterprises in mining, manufacturing, and some auxiliary sectors. We combined several narrowly defined ownership types into two broad categories, public and private, where private represents capitalist ownership.¹¹ In the public category we include state owned and state controlled enterprises, and in the private category we include non-state corporate enterprises and non-corporate enterprises (the latter are called “private” in the data source). See the data appendix for a full explanation. This two-part classification is imperfect. For example, there are some enterprises in our private category that are owned or controlled by foreign capital (such as Volkswagen which operates in China).

As figure 1 shows, the share of assets held by our category of public enterprises in the industrial sector fell from 69% in 1998 to 39% in 2018, while the share of private enterprises rose from 31% to 61% over the period. As figure 2 shows, the share of employment in public enterprises in the industrial sector fell from 60% in 1998 to 18% in 2018, while the share of private enterprises rose from 40% to 82%.

For determining how big the state’s role is in guiding the economy, the share of assets is the best measure. It roughly indicates how large state investment will be relative to whole economy. However, for determining the character of the economic base, the share of employment is the best indicator, since it is workers whose labor creates value and surplus value. China has a predominantly market economy, and we want to estimate the extent to which the

¹⁰ Industrial enterprises above a designated size includes state-owned industrial enterprises and non-State owned industrial enterprises with revenue from their principal business of over 5 million yuan from 1998 to 2006, and are industrial enterprises with annual revenue from principal business over 5 million yuan from 2007 to 2010, excluding state-owned enterprises whose main business revenue fell beneath this threshold starting from 2007; and are industrial enterprises with revenue from principal business above 20 million yuan since 2011. (NBS, 2019)

¹¹ Some enterprises in China have the form of small-scale independent commodity production, but such enterprises are too small to appear in the data for industrial enterprises.

surplus value created by workers is socially appropriated compared to the share that is appropriated by capitalists.

Table 2 shows that today less than 20% of the industrial work force works in public enterprises. Over 80% work in private enterprises owned by capitalists aiming for maximum profit. We conclude that the ownership structure in China corresponds to the definition of a capitalist economic base. Compared to other countries today, China has a large share of employees in public enterprises. However, a number of countries that are generally considered to have a capitalist economy have in some periods had a significant minority share of public enterprises by employment.

State owned banks dominate the financial system in China. That is relevant for the degree of state control over the economy. However, bank employees do not create surplus value. In the early part of the post-World War II period most of the major high-income capitalist countries had banking systems that were state controlled and in some cases had a major role for state ownership.

The second dimension to consider is planning versus the market. China had a planned economy until 1978, but since then it has been transformed into a market economy. Public enterprises are required to operate in the market economy, selling their outputs in markets. Public enterprise workers are no longer guaranteed a lifetime job and are treated as free wage laborers with limited rights on the job. The remaining public enterprises in China receive some forms of support from the state, but that has often been a feature of capitalist systems.

The state and party more actively direct and regulate the economy than states in any capitalist country today. The still large share of public enterprise by assets, at 39%, is much larger than in Europe, the US, or Japan. The state not only actively uses Keynesian fiscal and monetary policy, it also undertakes a high level of public investment, it exercises control over investment by public enterprises, and the state also at times issues orders to private enterprises

about their production and investment decisions. Yet the result is an economy that is a market economy although one with an unusually large role for the state in directing and regulating economic activity, that is, an element of planning is inserted. Prior to the neoliberal era, a number of capitalist countries in Europe had a significant element of planning although it was less extensive than in China today.

The third dimension to consider is whether production is for profit or for use. The large private sector operates for profit. The significant public sector could insert an element of production for use, but recent CCP policy has called for most public enterprises to aim at profit maximization without “interference” by state officials in their decisions. Only the minority of public enterprises in such fields as national security and public health are supposed to serve public purposes rather than pursue profit, but even public hospitals and clinics have shifted toward the aim of profit maximization in recent years. There is political struggle over this matter in China, with some calling for public enterprises to pursue public purposes, not profits, but the advocates of pursuit of profit have been gaining ground over time. A key party document called for the state to act simply as a shareholder in public enterprises while managing its portfolio of shares in enterprises so as to maximize the return – that is, the state should act as a capitalist investor, not a public entity aiming to meet the needs of society.

Taking account of all three dimensions of a capitalist economic base, we conclude that the economic base in China today is capitalist. It has an unusually large share of public enterprises and an unusually active role of the state in directing the economy, but those features are not inconsistent with a capitalist economic base.

3. Economic Base, State, and Imperialism

The capitalist economic relations in China presumably generate the drive for imperial domination that arises from a capitalist economic base. However, imperialist domination can

only be exercised by the state. Capitalist enterprises cannot do that on their own. Analyzing the state role in the global system requires consideration of the relation of the state to the economy.

Marxist theory claims that, in a class society, the class that rules in the economic base also rules in the state and in the realm of ideas. In a capitalist mode of production we expect the capitalist class to control the state. As Marx and Engels (1948) wrote in the Communist Manifesto, “the executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie (p. 9).”¹² However, Marx also noted that at certain historical moments the state can be relatively independent of the capitalist class. The period since Marx wrote provides multiple examples of capitalist countries in which, in a certain period, a group other than the capitalist class clearly ruled in the state and exercised domination over the capitalist class. Examples are Turkey under Attaturk and South Korea under the military dictatorship – in both cases a military group controlled the state and forced the capitalists to comply with their economic plans.

While normally, and in the long run, the state under capitalism is predominantly controlled by the capitalist class, that need not be the case at all times. In China a capitalist economy was given birth and nurtured by the policies of the CCP, a political party originally with a base of workers and peasants that seized power in a Civil War. The CCP continues to control the state in China. In 2001 CCP rules were changed to admit “entrepreneurs,” a euphemism for capitalists, to party membership. Some have joined the CCP, but there is no evidence that capitalists now control the CCP or can dictate state policy. The CCP has a self-perpetuating leadership group that runs the state. While there are claims that some high level CCP officials have family members who own a lot of property and even enterprises, the top officials themselves do not appear to have such properties.

¹² A bastardized version of that quote, taking the form of “the state is the executive committee of the ruling class,” has circulated widely but is not found anywhere in the writings of Marx or Engels.

In our view, the CCP is controlled by a leadership group that is promoting a set of economic goals different from the profit goals of the capitalist class in China. The main economic goals of the CCP leadership appear to be the following:

- 1) Promoting the economic development of China toward becoming a prosperous country with a high living standard, which requires continuing rapid economic growth.
- 2) Promoting technological advance toward the world technological frontier.
- 3) Steering China to become a major actor in global economic and political affairs
- 4) Recently, promoting movement toward an environmentally sustainable economy.

Pursuing the above goals in a world system dominated by capitalism and with a domestic economy that is capitalist has several implications for state policy. First, since China has a market economy, there is always a potential problem of overproduction. Hence, the state must promote growing aggregate demand to avoid recessions and maintain rapid economic growth. Given the low level of bargaining power of workers in China, domestic consumer demand is inadequate to promote increasing aggregate demand. The resolution is for the state to promote exports and to undertake growing public investment (Zhu and Kotz, 2011). The latter also increases the productivity of the economy over time.

Secondly, the development and technology aims mean that China can benefit from inward foreign direct investment as a way to gain access to superior technologies. Outward direct investment via acquisition of foreign companies is another means of gaining access to superior technologies. Establishing agreements to cooperate with foreign companies in technological development is another means to advance China's technological level.

Third, the aim of continuing economic growth means that China needs a growing inflow of raw materials and other inputs from outside China. The need to gain foreign exchange to pay for such imports is another reason to promote exports. China can also use its highly developed infrastructure investment capability to strike deals for obtaining needed imports.

However, the above needs do not generate a drive for China's state to seek domination over other countries. The cheapest, most efficient way to meet the above needs is by offering mutually beneficial deals in other countries. Establishing and sustaining domination over other peoples is very costly. The entire population of an imperialist power does not benefit from imperialism. The capitalist class gets the benefits while the working class pays the price in blood and treasure.

China's leaders often say they do not seek hegemony. However, we cannot take the words of leaders as proof in such matters. US political leaders also often say they do not seek to dominate other countries, a claim that is belied by the long history of aiming for, and achieving, imperial domination beyond US borders. As was noted above in section 2, a capitalist economic base generates a powerful drive to establish imperialist domination over other countries, and that is what underlies the US imperialist position in the global system.

In our view, China's capitalists have the same drive toward imperialism of capitalists everywhere. However, if they do not control the state, that does not lead to imperialism. Our analysis suggest that, as long as the CCP is not controlled by the capitalist class in China, we do not expect China to operate as an imperialist power.

The capitalist class in China is not powerless. The economic aims of the CCP leadership require that, given the decision to promote the rise of a capitalist economy in China, the state must protect the vital interest of the capitalist class domestically. That includes protecting capitalist property and their right to appropriate surplus value from labor and to sell freely in markets. However, the CCP has no need to aim for imperial domination to achieve its economic aims, and the Chinese capitalist class lacks the power to compel the CCP to seek imperial domination.

4. China's Involvement outside its Borders¹³

China's increasing global activities and influence have led to a proliferation of commentary, debates, and policy analysis. The dominant discourse indicts a monolithic China practicing neocolonialism or imperialism. However, this prevailing narrative about China's expansion says more about Western fears and anxieties about China than the true nature of its engagement with other countries.

A few case studies have illustrated that China's engagement abroad reflects the transition in China's domestic economic base, which has generated a search for profit abroad by some private companies based in China, but not a pursuit of state domination. For example, participation by Chinese in Zambia's agriculture has transitioned from agro-socialist cooperation with aid projects until the late 1980s to the agro-capitalist model for commercial farming since the 1990s, but not to agro-imperialist practice (Yan & Sautman, 2010). Chinese engagement in agriculture and rural development in Tanzania, along with Tanzania's market-oriented reforms and open-up strategy from the late 1980s, also witnessed more private capitalist presence since then for investment opportunities (Brautigam & Tang, 2012). The rapid growth in trade with Latin American countries since 2000 is a result of the rapid expansion in China's export sector after joining the WTO in 2001. Moreover, China's overseas development finance follows a "state-supported, market-based" approach which places significant weight on financial feasibility, an approach that mirrors China's own development in the past decades (Chen, 2020).

Reviewing China's overseas lending since 1949, Horn et al (2019) conclude that China has always been an active international lender as illustrated in Figure 3, from lending to other Communist states in the 1950s and 1960s, to more developing countries in the recent two decades. Official Chinese lending has always had a strategic element. As figure 3 shows, China's

¹³ This paper is based on an ongoing research project. This section of the paper is a preliminary presentation of empirical evidence about China's recent involvement outside its borders.

overseas lending increased relative to GDP after China joined the WTO in 2001 and adopted the “Going Global (*zou chuau*)” strategy. Combined with China’s rapidly growing GDP, this made China into a dominant global creditor. More importantly, Horn et al (2019) also find that unlike other major economies, almost all of China’s external lending and portfolio investment is undertaken by the Chinese government, state-owned companies, or the state-controlled central bank, not by private investors that follow the logic behind profit-oriented decisions.

It is true that many Chinese outward investments are aimed at extracting natural resources and gaining access to advanced technology for China’s domestic economy. However, this is an endeavor to sustain domestic growth and stability which is crucial for the party’s legitimacy. Chinese official lending programs, such as the more recent Belt and Road Initiative (BRI), function as a vehicle for China’s economic statecraft and international cooperation, rather than a search for state domination.

Moreover, the investment and loan decisions are mainly channeled through two policy banks, the Chinese Development Bank (CDB) and the Export-Import Bank of China (Chexim), which are largely development-oriented and policy-oriented financial agencies still controlled by the state that aim to achieve the policy objectives of the party and state, rather than originating from private capitalists in pursuit of profit. The CDB has the mandate to finance “infrastructure, basic industries, and pillar industries”, and Chexim has the mandate to facilitate the “Going Global” of Chinese firms of strategic importance. The two banks follow state guidelines when they select industries and projects to finance following the state’s general policy agendas. They are also financial agencies subject to the supervision of China Banking Regulatory Commission, the state’s financial regulatory body; and, more importantly, they are powerful state-owned agencies per se with their own prudence. The rationales are pursuing the state’s political and foreign policy objectives, enhancing the creditworthiness of projects and facilitating and encouraging exports (Chen, 2018).

China's official overseas investments have been preeminently for long-neglected transportation and communication infrastructure and energy supply projects, and its loans are typically advanced at zero or near-zero interest, often repaid in natural resources (quasi-barter), if they are not canceled entirely (Brautigam, 2009). A large share has gone to countries that are not beneficiaries of recent debt relief initiatives (Foster et al, 2009). By investing and lending largely to developing countries, especially low-income countries, and promoting industrialization in the global South, China is seen as supporting initiatives to address development problems not solved by neoliberalism's corporate initiatives. While China's current approach is more commercial than formerly, it continues to support state-run projects in industry and agriculture, which contrasts with the insistence in Washington Consensus on the conditionalities of structural adjustment programs (Sautman and Yan, 2007).

The evidence suggests that China's strategic lending programs are aimed at reaching mutually beneficial deals rather than at securing conditions for extracting extra-high profits by Chinese capitalists abroad. By 2019, China had provided nearly \$56.48 billion of development assistance to more than 160 countries and international organizations and dispatched more than 600,000 aid workers (Xinhua News, 2019). China has also provided support for other developing countries in implementing the UN 2030 Agenda for Sustainable Development through the establishment of the China-UN Peace and Development Fund. China has pledged \$200 million over a ten-year period to that agency, to the UN Fund for South-South Cooperation, and to the South-South climate fund ((United Nations, 2020; the South Center, 2016), which demonstrates support for a multilateral approach to development aid.

Researchers from the School of Oriental and African Studies conducted four years of intensive fieldwork and interviews comparing Chinese and non-Chinese manufacturing and construction companies in Angola and Ethiopia. They found that Chinese capitalists have treated local workers similarly to the treatment by capitalist investors from other countries, while by

contrast Chinese SOEs have been more responsive to requests from the host government regarding more job creation and better labor conditions (Oya & Schaefer, 2019). Other research also has found that Chinese projects create net employment for national workers and crowd in domestic firms as well. (Brautigam, 2009; Shen, 2015; Peters & Armony, 2017)

Recent studies have found that Chinese firms' interests in the Belt and Road Initiative do not necessarily align with those of the state (Li & Zeng, 2019). Private investment is still not a large share of overseas investment. Private capitalists do not appear to be strong enough to press the Chinese state to enforce their interests in other countries. The predominant share of official investment and lending follows the party's and state's general policy agendas for economic growth and stability. Our review of the evidence supports the conclusion that China's engagement beyond the border does not follow the dynamic of capitalist imperialism.

5. Concluding Comment

China's rapidly growing economy is the largest in the world by some measures, and it now has a capitalist economic structure. That raises the question of whether China is, or is becoming, an imperialist power, which is the usual path followed by a large capitalist state. However, our analysis suggests that its combination of capitalist economy and a state that differs from the usual capitalist state is expected to give rise to global interactions that are not imperialist. We provided empirical evidence that tends to confirm the expectation of a non-imperialist role of China in the global system. In this ongoing research project, we plan to undertake further investigation of the empirical evidence about China's role in the global system.

Figures

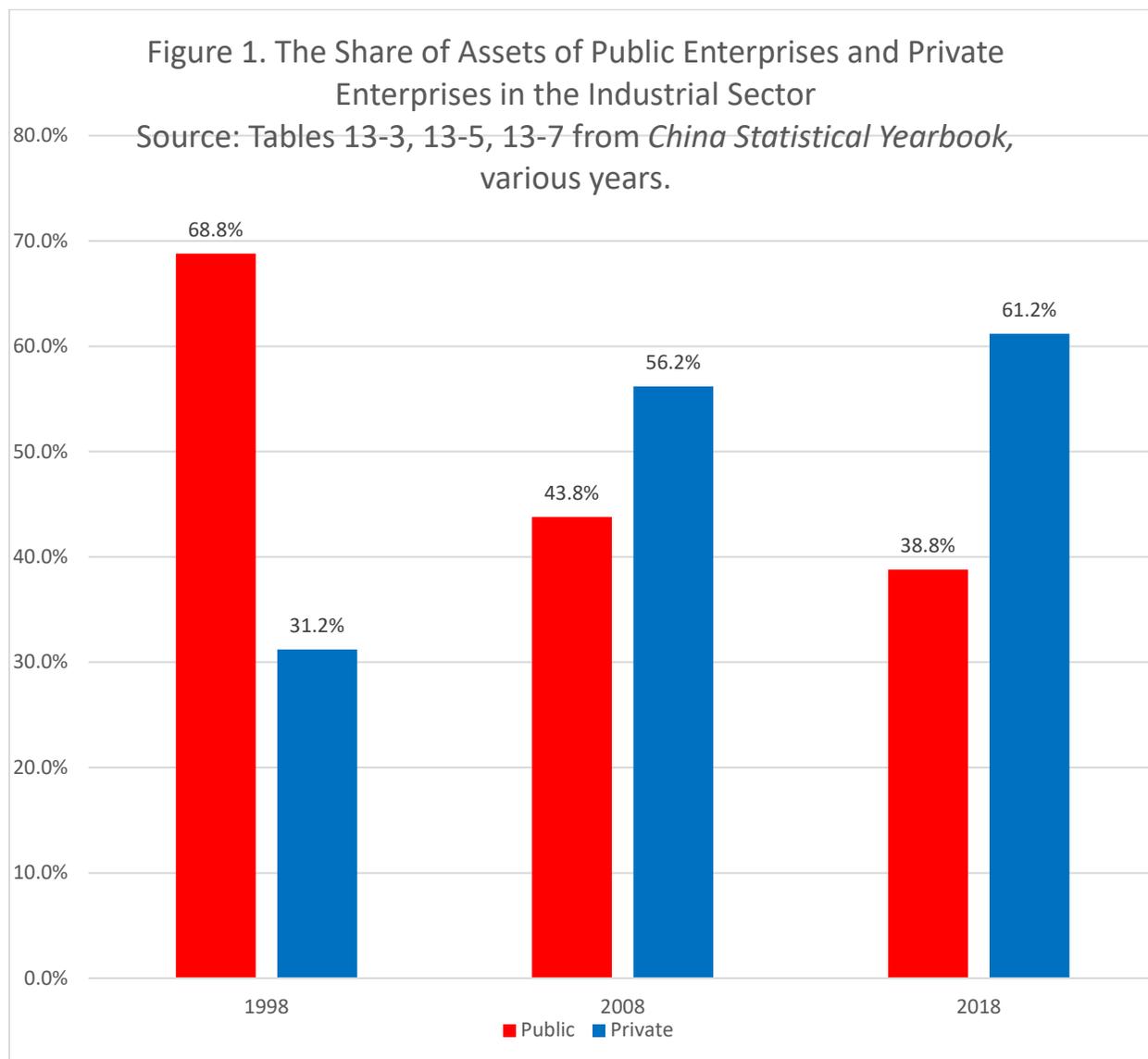


Figure 2. The Share of Employment of Public Enterprises and Private Enterprises in the Industrial Sector
Source: Tables 13-3, 13-5, 13-7 from China Statistical Yearbook, various years

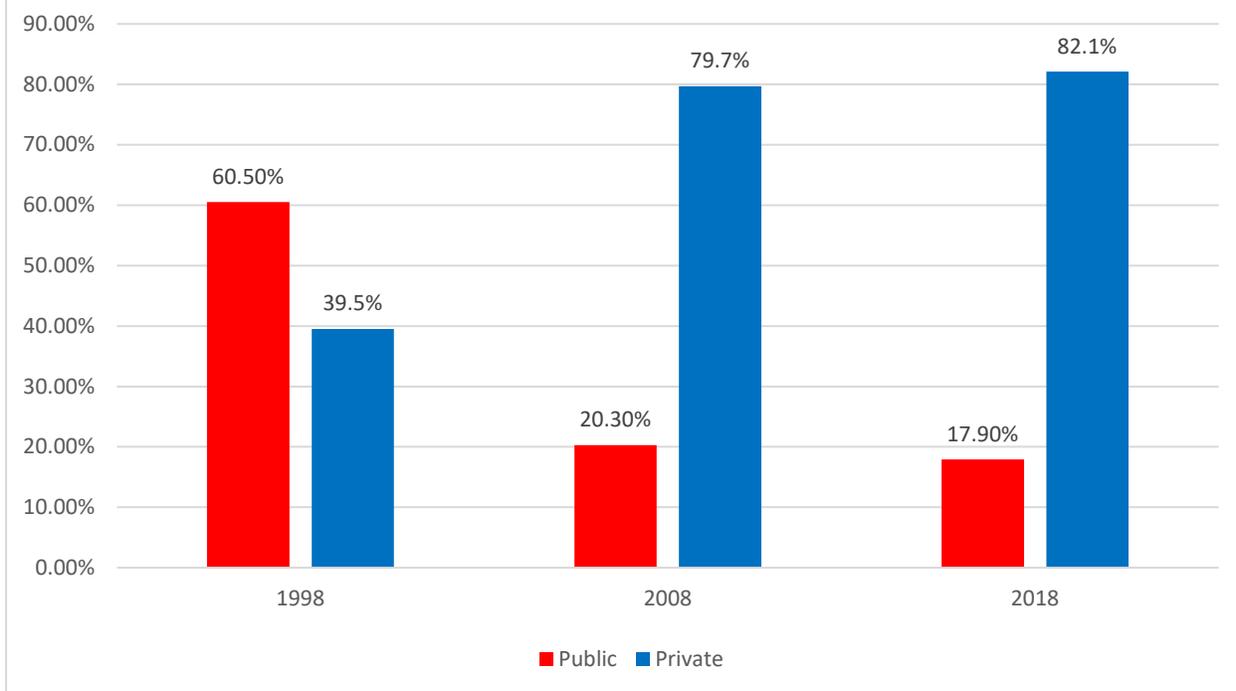
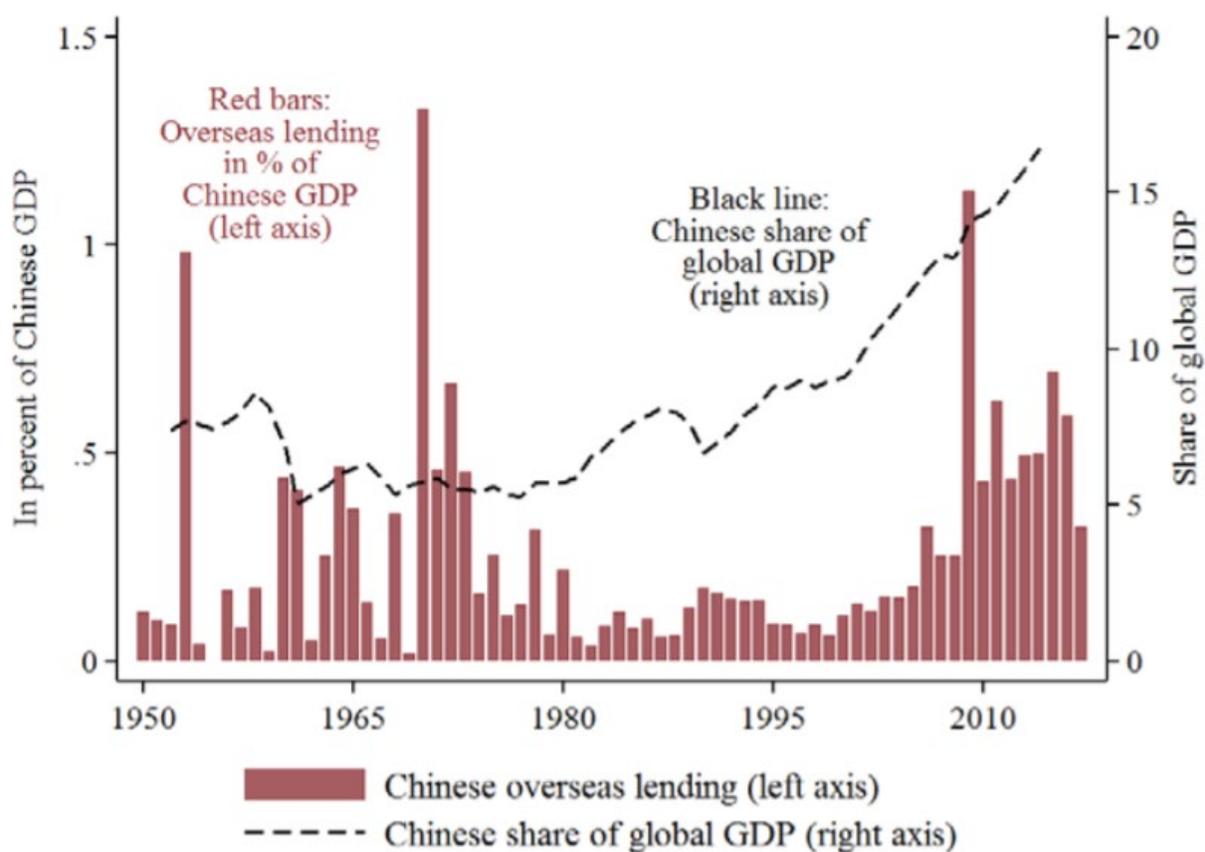


Figure 3. China has always been an active international lender, 1949 - 2017



Sources: Horn, et al, 2019.

Note: Chinese overseas lending from Horn, S., Reinhart, C.M. and Trebesch, C., 2019. China's overseas lending (No. w26050). National Bureau of Economic Research. Chinese share of global GDP on a purchasing power parity basis from the Penn World Tables.

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